

SLAGLE TOWNSHIP, WEXFORD COUNTY

HARRIETTA, MICHIGAN

MARCH 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

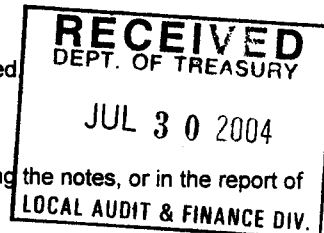
Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Slagle Township	County Wexford
Audit Date 3/31/04	Opinion Date 6/28/04	Date Accountant Report Submitted to State: 7/19/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations



You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) BAIRD, COTTER AND BISHOP, P.C.			
Street Address 134 W. HARRIS STREET		City CADILLAC	State MI
Accountant Signature 		ZIP 49601	Date

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

MARCH 31, 2004

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M. WAYNE BEATTIE, C.P.A.
1902 - 1990
JACK H. BAIRD, C.P.A.
JERRY L. COTTER, C.P.A.
DALE D. COTTER, C.P.A.

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

JOHN H. BISHOP, C.P.A.
ROBERT V. BEATTIE, C.P.A.
DOUGLAS P. McMULLEN, C.P.A.
JOHN F. TAYLOR, C.P.A.
STEVEN C. ARENDS, C.P.A.
SCOTT A. HUNTER, C.P.A.
JONATHAN E. DAMHOF, C.P.A.
MICHAEL D. COOL, C.P.A.

June 28, 2004

INDEPENDENT AUDITORS' REPORT

To the Township Board
Slagle Township
Wexford County
Harrietta, Michigan

We have audited the accompanying general-purpose financial statements of Slagle Township, Wexford County, Harrietta, Michigan as of and for the year ended March 31, 2004, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Township. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note I.B., the Township's policy is to prepare its general-purpose financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of the Slagle Township, Wexford County, Harrietta, Michigan as of March 31, 2004, and the cash receipts it received and cash disbursements it paid for the year then ended on the basis of accounting described in Note I.B.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying financial information listed as "Financial Statements of Individual Funds" and "Other Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements, and in our opinion, it is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

BAIRD, COTTER AND BISHOP, P. C.

Baird, Cotter & Bishop, P.C.

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

COMBINED STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

ALL FUND TYPES AND ACCOUNT GROUP
MARCH 31, 2004

	GOVERNMENTAL FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUP	TOTAL (MEMORANDUM ONLY)
	GENERAL	AGENCY	GENERAL FIXED ASSETS	
<u>ASSETS</u>				
Cash				
Commercial Account	\$ 75,648	\$ 1,262	\$ 0	\$ 76,910
Certificates of Deposit	52,395	0	0	52,395
Taxes Receivable	1,656	0	0	1,656
Land	0	0	8,400	8,400
Buildings	0	0	24,540	24,540
Machinery and Equipment	0	0	7,762	7,762
Furniture and Fixtures	0	0	1,396	1,396
TOTAL ASSETS	\$ 129,699	\$ 1,262	\$ 42,098	\$ 173,059
<u>LIABILITIES AND EQUITY</u>				
<u>LIABILITIES</u>				
Deferred Revenue	\$ 1,656	\$ 0	\$ 0	\$ 1,656
Payroll Withholdings	664	0	0	664
Total Liabilities	\$ 2,320	\$ 0	\$ 0	\$ 2,320
<u>EQUITY</u>				
Investment in				
General Fixed Assets	\$ 0	\$ 0	\$ 42,098	\$ 42,098
Balance				
Unreserved	127,379	1,262	0	128,641
Total Equity	\$ 127,379	\$ 1,262	\$ 42,098	\$ 170,739
TOTAL LIABILITIES AND EQUITY	\$ 129,699	\$ 1,262	\$ 42,098	\$ 173,059

The accompanying notes are an integral part of these financial statements.

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2004

RECEIPTS

Taxes	\$ 17,544
State Grants	37,330
Charges for Services	4,874
Interest and Rents	2,416
Other Receipts	138
	<hr/>
Total Receipts	\$ <u>62,302</u>

DISBURSEMENTS

Legislative	
Township Board	
General Government	\$ 1,817
Supervisor	4,000
Election	11
Assessor	6,688
Clerk	4,784
Board of Review	1,036
Treasurer	11,294
Building and Grounds	1,945
Cemetery	3,825
Public Safety	12,000
Recreation and Cultural	1,750
Other Functions	5,026
	<hr/>
Total Disbursements	\$ <u>54,176</u>
Excess of Receipts Over (Under) Disbursements	\$ 8,126

BALANCE - April 1, 2003

119,253

BALANCE - March 31, 2004

\$ 127,379

The accompanying notes are an integral part of these financial statements.

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL

GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Taxes	\$ 13,000	\$ 17,544	\$ 4,544
State Grants	32,000	37,330	5,330
Charges for Services	7,020	4,874	(2,146)
Interest and Rents	2,000	2,416	416
Other Receipts	600	138	(462)
Total Receipts	\$ 54,620	\$ 62,302	\$ 7,682
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	\$ 3,000	\$ 1,817	\$ 1,183
General Government			
Supervisor	4,200	4,000	200
Election	400	11	389
Assessor	9,500	6,688	2,812
Clerk	5,200	4,784	416
Board of Review	1,200	1,036	164
Treasurer	11,300	11,294	6
Building and Grounds	2,000	1,945	55
Cemetery	4,000	3,825	175
Public Safety	12,000	12,000	0
Health and Welfare	2,000	0	2,000
Recreation and Cultural	2,720	1,750	970
Other Functions	6,200	5,026	1,174
Contingency	92,900	0	92,900
Total Disbursements	\$ 156,620	\$ 54,176	\$ 102,444
Excess of Receipts Over (Under) Disbursements	\$ (102,000)	\$ 8,126	\$ 110,126
<u>BALANCE - April 1, 2003</u>	102,000	119,253	17,253
<u>BALANCE - March 31, 2004</u>	\$ 0	\$ 127,379	\$ 127,379

The accompanying notes are an integral part of these financial statements.

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Slagle Township is a general law township located in Wexford County which operates under the direction of an elected township board. Under the criteria established by generally accepted accounting principles, the Township has determined that there are no component units which should be included in its reporting entity.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Township are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The Township has no long-term debts which would be recorded in the general long-term debt account group.

The Township has the following fund types and account group:

Governmental funds are used to account for the Township's general government activities. The Township uses the flow of economic resources measurement focus and the modified cash basis of accounting for these funds which is an other comprehensive basis of accounting (OCBOA). Under the modified cash basis of accounting, revenues are recognized when collected (i.e., when cash is received). Expenditures are recorded when cash is disbursed.

Governmental funds include the following fund type:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Fiduciary funds account for assets held by the Township in a trustee capacity or as an agent on behalf of others.

The Current Tax Collection Fund is an agency fund and is custodial in nature. It does not present results of operation or have a measurement focus. The agency fund also uses the modified cash basis of accounting. This fund is used to account for property tax collections which the Township makes and distributes for others in an agency capacity.

Account Group. The General Fixed Asset Account Group is used to account for fixed assets of the Township.

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

C. Assets, Liabilities and Equity

1. Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition.

The Township's investment policy states that the Treasurer is limited to investments authorized by Act 20 of 1943, as amended, and may invest in the following: checking accounts, money market accounts, certificates of deposits and bank savings accounts.

2. Receivables and Payables

Under the modified cash basis of accounting, the only noncash asset recorded is a receivable for uncollected property taxes. This receivable is entirely offset by a deferred revenue liability account so that income is only recognized when cash is received. The only other liabilities recognized are for unremitted payroll tax withholdings.

3. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not included in the general fixed assets account group.

4. Memorandum Only - Total Columns

Total columns on the general-purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

5. Use of Estimates

This presentation of financial statements on the modified cash basis of accounting requires the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The annual budget is adopted on the modified cash basis in accordance with the requirements of Michigan Public Act 621 of 1978 "The Uniform Budgeting and Accounting Act". A public hearing is held to obtain taxpayer comments. Appropriations lapse at year end. Budget amounts presented are as originally adopted on March 29, 2003 or as amended by the Township Board from time to time throughout the year.

The appropriated budget is prepared by fund and activity. The Township Board exercises budgetary control over expenditures.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Township because it is not, at present, considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Of the Township's deposits in commercial accounts and certificates of deposit at year-end, \$120,000 was covered by Federal Depository Insurance and the remaining \$13,993 was uninsured and uncollateralized. At year-end, the carrying amount of the Township's deposits was \$129,305 and the bank balance was \$133,993.

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

The carrying amount of the Township's deposits at year-end are shown below:

	GENERAL FUND	CURRENT TAX COLLECTION FUND
Citizens Bank		
Cadillac, Michigan		
Commercial Accounts	\$ 75,648	\$ 1,262
Certificates of Deposit	32,395	0
Chemical Bank		
Cadillac, Michigan		
Certificates of Deposit	20,000	0
	<u>\$ 128,043</u>	<u>\$ 1,262</u>

B. Fixed Assets

Activity in the general fixed assets account group for the Township for the year ended March 31, 2004, was as follows:

	BALANCE 4/1/03	ADDITIONS	DELETIONS	BALANCE 3/31/04
Land	\$ 8,400	\$ 0	\$ 0	\$ 8,400
Buildings	24,540	0	0	24,540
Machinery and Equipment	5,667	2,095	0	7,762
Furniture and Fixtures	1,396	0	0	1,396
	<u>\$ 40,003</u>	<u>\$ 2,095</u>	<u>\$ 0</u>	<u>\$ 42,098</u>

IV. OTHER INFORMATION

A. Property Taxes

The Township levied 0.7974 mills for general operating purposes on a taxable value of \$15,021,942 on the 2003 tax roll.

Properties are assessed January 1 and the related property taxes become a lien on December 1 of the same year. These taxes are due on or before February 14, with a final collection date of February 28, before they are added to the County tax rolls. Property taxes levied December 1 which are collected prior to the end of the fiscal year are recognized as income in the year in which they are levied.

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

B. Interest Earnings and Expense

For the year ended March 31, 2004, interest earnings and expense was as follows:

	INTEREST	
	EARNINGS	EXPENSE
General Fund	\$ 1,996	\$ 0

NOTE - Interest earnings in the Current Tax Collection Fund is periodically transferred to the General Fund and is shown as General Fund interest income.

C. Joint Fire District

The Township is a member of the S and H Volunteer Fire Department. The Township and the Village of Harrietta support the fire department. The following financial information was taken from the Fire Department's December 31, 2003 audited financial statements:

Total Assets	\$ 24,955
Investment in Fixed Assets	129,075
Fund Balance - Unreserved	24,955
Total Receipts	11,817
Total Disbursements	19,371
Net Increase (Decrease) in Fund Balance	(7,554)

A copy of these audited financial statements may be obtained upon request from the Fire Department treasurer.

D. Current Tax Collection Fund Balance

Of the balance of \$1,262 remaining in the Current Tax Collection Fund at March 31, 2004, \$268 is owed to Mesick Consolidated Schools. The remainder is an advance from the Township General Fund.

E. Property Tax Administration Fee

The Township passed a resolution on April 11, 1983, to charge 1% administration fee on all ad valorem taxes levied after this date. The resolution is to continue in force and effect until revoked by the Township Board.

The Township has determined that authorized costs of tax collection will be repeatedly in excess of the revenues generated by the administration fee so that a restricted earnings account is not reflected in these statements.

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

F. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Township participates in a pool of municipalities with the State of Michigan for self-insuring property and casualty, crime, general liability and errors and omissions insurance. The Township pays annual premiums to the pool for the respective insurance coverage. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premiums for said year, all members of the specific pool's policy year may be subject to special assessments to make up the deficiency. The Township has not been informed of any special assessments being required for the current year or the three prior years.

The Township continues to carry commercial insurance for other risks of loss, including worker's compensation insurance and fidelity bonds.

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

GENERAL FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

ASSETS

Cash	
Commercial Account	
Certificates of Deposit	\$ 75,648
Taxes Receivable	52,395
	<u>1,656</u>
TOTAL ASSETS	\$ <u>129,699</u>

LIABILITIES AND EQUITY

LIABILITIES

Deferred Revenue	
Payroll Withholdings	\$ 1,656
	<u>664</u>
Total Liabilities	\$ 2,320

EQUITY

Balance	
Unreserved	<u>127,379</u>
TOTAL LIABILITIES AND EQUITY	\$ <u>129,699</u>

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

GENERAL FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Taxes	\$ 13,000	\$ 17,544	\$ 4,544
State Grants	32,000	37,330	5,330
Charges for Services	7,020	4,874	(2,146)
Interest and Rents	2,000	2,416	416
Other Receipts	600	138	(462)
Total Receipts	\$ 54,620	\$ 62,302	\$ 7,682
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	\$ 3,000	\$ 1,817	\$ 1,183
General Government			
Supervisor	4,200	4,000	200
Election	400	11	389
Assessor	9,500	6,688	2,812
Clerk	5,200	4,784	416
Board of Review	1,200	1,036	164
Treasurer	11,300	11,294	6
Building and Grounds	2,000	1,945	55
Cemetery	4,000	3,825	175
Public Safety			
Fire Department	12,000	12,000	0
Health and Welfare	2,000	0	2,000
Recreation and Cultural			
Recreation and Parks	2,720	1,750	970
Other Functions	6,200	5,026	1,174
Contingency	92,900	0	92,900
Total Disbursements	\$ 156,620	\$ 54,176	\$ 102,444
Excess of Receipts Over (Under) Disbursements	\$ (102,000)	\$ 8,126	\$ 110,126
<u>BALANCE - April 1, 2003</u>	102,000	119,253	17,253
<u>BALANCE - March 31, 2004</u>	\$ 0	\$ 127,379	\$ 127,379

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH RECEIPTS
FOR THE YEAR ENDED MARCH 31, 2004

TAXES

Current Property Taxes	\$	10,319
Delinquent Property Tax and Interest		2,259
Property Tax Administrative Fee		4,787
Payments in Lieu of Taxes		
Commercial Forest		1
Swamp Tax		178

Total Taxes

\$ 17,544

STATE GRANTS

State Revenue Sharing
Sales and Use Tax

37,330

CHARGES FOR SERVICES

Dog License Fees	\$	15
Burial Fees and Cemetery Lot Sales		2,715
S.E.T. Collection Fees		1,405
Summer Tax Collection Fee		739

Total Charges for Services

4,874

INTEREST AND RENTS

Interest Earnings	\$	1,996
Rents and Royalties		420

Total Interest and Rents

2,416

OTHER RECEIPTS

Miscellaneous

138

TOTAL RECEIPTS

\$ 62,302

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

LEGISLATIVE

Township Board		
Personal Services		
Salaries and Wages	\$	1,440
Other Services and Charges		
Dues and Fees		289
Miscellaneous		8
Training and Education		80
		<hr/>
Total Legislative	\$	1,817

GENERAL GOVERNMENT

Supervisor		
Personal Services		
Salaries and Wages	\$	4,000
Elections		
Supplies		
Office Supplies		11
Assessor		
Supplies		
Office Supplies	\$	756
Other Services and Charges		
Contracted Services		<hr/>
		5,932
Clerk		6,688
Personal Services		
Salaries and Wages	\$	4,000
Salaries and Wages - Deputy Clerk		700
Supplies		
Office Supplies		<hr/>
		84
Board of Review		4,784
Personal Services		
Salaries and Wages	\$	769
Other Services and Charges		
Training and Education		240
Printing and Publishing		<hr/>
		27
Treasurer		1,036
Personal Services		
Salaries and Wages	\$	5,905
Salaries and Wages - Deputy Treasurer		700

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

Supplies			
Office Supplies	327		
Other Services and Charges			
Transportation	67		
Printing and Publishing	2,192		
Miscellaneous	8		
Capital Outlay			
Equipment	2,095	11,294	
Building and Grounds			
Personal Services			
Salaries and Wages	\$ 937		
Supplies			
Maintenance Supplies	58		
Other Services and Charges			
Public Utilities	950	1,945	
Cemetery			
Personal Services			
Salaries and Wages	\$ 3,090		
Supplies			
Operating Supplies	185		
Other Services and Charges			
Contracted Services	550	3,825	
Total General Government			33,583
<u>PUBLIC SAFETY</u>			
Fire Department			
Aid to Other Governments			
S and H Fire Department			12,000
<u>RECREATION AND PARKS</u>			
Other Charges and Services			
Waste Removal			1,750
<u>OTHER FUNCTIONS</u>			
Insurance and Bonds		\$ 2,636	
Employee Benefits			
Workmen's Compensation	\$ 750		
Medicare/Social Security	1,640	2,390	
Total Other Functions			5,026
TOTAL DISBURSEMENTS			\$ 54,176

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

ASSETS

Cash

\$ 1,262

EQUITY

BALANCE

Unreserved

\$ 1,262

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
FOR THE YEAR ENDED MARCH 31, 2004

RECEIPTS

Current Tax Collections		\$ 479,328
Delinquent Tax Collections and Interest		5,329
Property Tax Administration Fee		4,785
Dog License Fees		38
Interest Earnings		36
Miscellaneous		932
Overpayments from Taxpayers		583

Total Receipts

\$ 491,031

DISBURSEMENTS

Payments to County Treasurer			
Current Tax	\$ 199,822		
Delinquent Tax and Interest	2,000		
Dog License Fees	23		
Refunds	691	\$ 202,536	
Payments to Township Treasurer			
Current Tax	\$ 10,319		
Delinquent Tax and Interest	195		
Property Tax Administration Fee	4,785		
Dog License Fees	15		
Interest Earnings	28	15,342	
Payments to School Treasurer			
Current Tax			
Mesick Consolidated School	\$ 145,930		
Cadillac Area Public Schools	45,591		
Delinquent Tax and Interest			
Cadillac Area Public Schools	1,970		
Mesick Consolidated Schools	208	193,699	
Payments to Intermediate School			
Current Tax	\$ 77,666		
Delinquent Tax and Interest	956	78,622	
Refund to Taxpayers for Overcollections		583	

Total Disbursements

490,782

Excess of Receipts Over
(Under) Disbursements

\$ 249

BALANCE - April 1, 2003

1,013

BALANCE - March 31, 2004

\$ 1,262

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED MARCH 31, 2004

	BALANCE 4/1/03	ADDITIONS	DELETIONS	BALANCE 3/31/04
<u>GENERAL FIXED ASSETS</u>				
Land	\$ 8,400	\$ 0	\$ 0	\$ 8,400
Buildings	24,540	0	0	24,540
Machinery and Equipment	5,667	2,095	0	7,762
Furniture and Fixtures	1,396	0	0	1,396
	<u>\$ 40,003</u>	<u>\$ 2,095</u>	<u>\$ 0</u>	<u>\$ 42,098</u>
<u>INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>\$ 40,003</u>	<u>\$ 2,095</u>	<u>\$ 0</u>	<u>\$ 42,098</u>

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

STATEMENT OF 2003 WINTER PROPERTY TAX ROLL
MARCH 31, 2004

TAXES ASSESSED

County	\$	152,699	
Township			
Operating		11,975	
Schools			
Cadillac Area Public Schools		25,850	
Mesick Consolidated School		164,138	
Intermediate School			
Wexford-Missaukee Intermediate		90,133	\$ 444,795

TAXES COLLECTED

County	\$	131,580	
Township			
Operating		10,319	
Schools			
Cadillac Area Public Schools		21,095	
Mesick Consolidated School		146,198	
Intermediate School			
Wexford-Missaukee Intermediate		77,666	386,858

TAXES RETURNED DELINQUENT

County	\$	21,119	
Township			
Operating		1,656	
Schools			
Cadillac Area Public Schools		4,755	
Mesick Consolidated School		17,940	
Intermediate School			
Wexford-Missaukee Intermediate		12,467	\$ 57,937

SLAGLE TOWNSHIP, WEXFORD COUNTY
HARRIETTA, MICHIGAN

STATEMENT OF 2003 SUMMER PROPERTY TAX ROLL
MARCH 31, 2004

TAXES ASSESSED

County-State Education Tax	\$	75,108	
School			
Cadillac Area Public Schools		25,851	\$ 100,959

TAXES COLLECTED

County-State Education Tax	\$	68,242	
School			
Cadillac Area Public Schools		24,496	92,738

TAXES RETURNED DELINQUENT

County-State Education Tax	\$	6,866	
School			
Cadillac Area Public Schools		1,355	\$ 8,221

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SCOTT A. HUNTER, C.P.A.
JONATHAN E. DAMHOF, C.P.A.
MICHAEL D. COOL, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS

June 28, 2004

LETTER OF COMMENTS AND RECOMMENDATIONS

To the Township Board
Slagle Township
Wexford County
Harrietta, Michigan

As a result of our audit of the general-purpose financial statements of Slagle Township for the year ended March 31, 2004, we would like to note the following:

2003 Tax Roll Reconciliation

We reconciled the tax roll encountering no problems or unusual items. However, we did note that as of March 31, 2004, the Township tax account still had \$267.64 which was due to the Mesick Consolidated Schools. We recommend that the Treasurer issue a check to the school to pay the balance due.

Government Accounting Standards Board (GASB) Statement 34

GASB has issued its new financial accounting model for governmental entities. This pronouncement will become effective for Slagle Township for its fiscal year ending March 31, 2005. The most significant change will be reporting cost and depreciation information for fixed assets such as buildings and equipment. We are available to advise you on how this new standard affects your township.

Property Tax Administration Fee

As reported in Note IV.E of the Notes to Financial Statements, the Township is charging a 1% property tax administration fee. The Township has determined that authorized costs of tax collection will be repeatedly in excess of revenue generated by the administration fee. The Township has done a good job of keeping subsidiary records which reflect property tax administration fee collections and costs and passing a motion each year to write off the administration fee loss. We commend the Township for their efforts in this area.

We would like to thank the Board for its continued confidence in our firm and to thank the Township clerk and treasurer for their cooperation.

If you have any questions relative to the above comments and recommendations or other areas of your annual accounting, please feel free to call on us.

BAIRD, COTTER AND BISHOP, P. C.

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June 28, 2004

LETTER OF REPORTABLE CONDITIONS

To the Township Board
Slagle Township
Wexford County
Harrietta, Michigan

In planning and performing our audit of the general-purpose financial statements of Slagle Township, Wexford County, Harrietta, Michigan for the year ended March 31, 2004, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control structure. However, we noted certain matters that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

The relatively small number of people involved in the accounting functions of the Township and the design of the accounting system as developed by the state make it difficult to adequately segregate duties. Segregation of accounting duties is a fundamental method of strengthening internal control. However, in deciding what internal control procedures should be implemented, the Board must consider the costs of implementing them and weigh those costs against the benefits to be derived from their implementation.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the condition described above is a material weakness.

This report is intended solely for the information and use of the Board and others within the organization. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

BAIRD, COTTER AND BISHOP, P. C.

Baird, Cotter & Bishop, P.C.